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OSD FOR POPOVICH

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SUBJECT: ZAGREB WEEKLY ACTIVITY REPORT - MAY 26, 2009

11. (U) ALBANIAN PRESIDENT VISITS ZAGREB:

Albanian President Bamir Topi met with President Mesic on May 20 and discussed the widening cooperation between the two countries. Mesic stated that Albania and Croatia joining NATO this year introduced "a new element" in bilateral relations, and that it should serve to stimulate broader ties outside of military cooperation, particularly in the economic sphere. The two leaders also spoke about the possibility of Croatia lifting its visa requirements for Albanian citizens with Topi noting that Croatians have been able to travel to Albania without visas since 2002. Regarding the idea that the two countries cooperate on building a nuclear power plant in Albania, Mesic said that Croatia should first concentrate on other sources of energy and that the time to make a decision on these plans would arrive in due course. In a May 21 meeting with Prime Minister Sanader both leaders agreed their countries' membership in NATO contributed to stability in the region and that Euro-Atlantic integration was the best way to guarantee peace and development for the countries of Southeastern Europe. (PD'Amico)

12. CROATIAN PARLIAMENT STRIPS GLAVAS' IMMUNITY, SEEKING EXTRADITION FROM B-H:

On May 20, Croatia's Parliament stripped convicted war criminal Branimir Glavas of his political immunity, thereby authorizing his arrest and detention. Parliament confirmed overwhelmingly (78 - 1 with one abstention), a prior ruling by its Committee for Mandates and Immunities (MIP) stripping Glavas of immunity. A member of Glavas' HDSSB party, Boro Grubisic, was the lone vote against the measure, saying that the "martyr" Glavas had been politically persecuted and that both the court's conviction and the MIP's ruling were "sad, disgraceful and tragic." Glavas, who holds dual Croatian and Bosnian citizenship, is currently in Bosnia, a country that does not extradite its own nationals. Despite that the Croatian Ministry of Justice is preparing the necessary documents to start extradition procedures and will file the documents with Bosnian authorities within the legal deadline of 40 days. Both Bosnia and Croatia are aware that either Bosnia would need to either revoke Glavas' B-H citizenship or revise its ban on extraditing its own nationals to make Glavas' extradition possible. (VDjukic)

13. (U) U.S. MILITARY BAND ROCKS SPLIT:

Croatia's second largest city, Split, was the host for two major performances by the U.S. Army Europe Band and Chorus in early May. The Minister of Culture and the Mayor of Split were among nearly 700 guests that packed Split's Croatian National Theater for a free Saturday evening concert that ranged from baroque to disco - including on-stage disco moves by the ensemble's dance team. The Ambassador, joined by PAS and DAO staff, hosted a reception afterwards for the 300 VIP contacts invited directly by the Embassy. The Band repeated their performance on Sunday evening at an outdoor concert drawing over 1,000 people on Split's main pedestrian

boulevard, the Riva, opening directly onto the Adriatic Sea. Coming on the same weekend as the festival of Split's patron saint, Saint Dujam, the performances were billed on the festival schedules as a gift from America for the people of Split. On their third day, members of the Band visited Split's music school to conduct master classes with Split's up-and-coming musicians. The impact was immediately obvious through the very strong and warm response to the Band and to the Embassy's presence, but our advertising through radio, posters and print media bought even more good will. (BPost)

14. (U) ADRIATIC SWORD EXERCISES CONDUCTED IN CROATIA:
The Croatian Air Force and Air Defense (CAF & AD) and the Croatian Army trained with the USAF and US Army during the week of 18 May. This five-day event included air-to-air basic fighter maneuvers and air policing between US F-16s and Croatian MiG-21s; Forward Air Control with USAF/USA and the Croatian Army; CAF & AD and USAF cooperation with air surveillance using Croatian radars and their operations center; and Croatian UAV air surveillance. This training event was the largest in the history of the Adriatic Sword exercises, the first time the exercise took place in four separate locations, and the first to include activities on Slunj Range (a top USAFE priority). (DBrock)

15. (U) SECRET SERVICE TRAINS CENTRAL BANK ANTI-COUNTERFEITING TEAM:

Visiting Special Agents from the U.S. Secret Service office in Rome trained four members of the Croatian National Bank's newly-established anti-counterfeiting team on detecting fraudulent U.S. currency the week of May 18. Established on March 1st, the Central Bank's anti-counterfeiting unit has central responsibility for examination of all suspect

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currency in Croatia. Since its inception the office has discovered 12 confirmed fraudulent \$100 bills (and roughly 175 fraudulent 100 euro notes). However, the office until now lacked information on the latest trends in U.S. counterfeit currency as well as current specimens of genuine bills. The USSS agents presented a two hour training including hands-on experience with counterfeit notes of varying quality, provided Croatian language documentation on the security features of U.S. currency for distribution to local financial institutions, and promised to supply the Croatians with sample specimens of the latest issues of genuine U.S. currency. (DWestfall)

16. (U) SUSPECTED WAR CRIMINAL TO BE EXTRADITED TO CROATIA FROM UK:

After multiple hearings and appeals, it is expected that Great Britain soon will extradite Croatian Serb Milan Spanovic to Croatia. Spanovic is accused of committing war crimes, including opening fire on unarmed citizens, torture, looting and arson, in several Croatian villages in 1991. He was tried and convicted in absentia to 20 years imprisonment. He has been in Great Britain since 1998 and has managed to evade extradition until now, first by complaining about the unfairness of Croatian courts and later by claiming to be depressed and suicidal. This month, however, the British Supreme Court has ordered his extraition, accepting Croatia's arguments that Spanovic will be allowed a fair retrial and that he will not be discriminated against because of his nationality nor will his human rights be violated in Croatia. (VDjukic)

17. (U) DCM AND ELOs VISIT ZAGREB POLICE HEADQUARTERS:

Deputy Chief of Mission Vivian Walker and the Embassy's Entry Level Officers met with the Zagreb Police Chief and visited various components of the Zagreb Police Administration on May 15. Police administrators discussed a number of challenges facing the Zagreb police, such as the need for more officers, better facilities, and to move away from current repressive security techniques. The department's intervention unit demonstrated new tactics used for crowd control during demonstrations, arrests, and the oft-occurring problems at

large sporting events, specifically, during soccer matches. Presentations highlighted how Croatia's police force is seeking out additional resources and EU training opportunities to assist its adjustment toward a focus on crime prevention, which is an important and positive transformation for Croatian law enforcement. (MKelley)

18. (U) NEW BIOGAS POWER PLANT TO BE LARGEST IN EUROPE:
In Ovcara, near Vukovar, construction began last week on what is advertised as Europe's largest biogas power plant. The planned capacity of the plant is 10 MW, enough to power a city of 60,000. According to press reports, the Vukovar-based company Bioenergija is financing the 27-30 million EUR project. The company plans to have the plant operating at full capacity by the end of 2010. Croatia's proposed national energy strategy, which still awaits parliament's approval, sets a goal of generating 35 percent of electricity from renewable resources (including large hydropower plants) by 2020. (SLitke)

19. (U) HARVARD PROFESSOR CRITIQUES CROATIAN COMPETITIVENESS:
The Pliva Business Forum in Zagreb on May 15 featured keynote speaker Professor Michael Porter of Harvard University's Institute for Strategy and Competitiveness. Professor Porter, co-author of the annual Global Competitiveness Report, outlined several constraints on Croatia's global competitiveness. These include low productivity, low labor force utilization, insufficient export performance, and low foreign direct investment in the manufacturing sector. He also highlighted several inhibitors to doing business in Croatia such as corruption, the inefficiency of the legal system, inflexibility of labor, and inefficient systems. He encouraged Croatia to tackle its problems and to be self critical in order to avoid a future crash. Professor Porter also shared his presentation with the Prime Minister in a private meeting, and has offered to host a Croatian delegation at Harvard to help the country improve its competitive situation. (PWard)
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